GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1020
ANSWERED ON:28.11.2011
EXPORT ORIENTED UNITS
Bavalia Shri Kuvarjibhai Mohanbhai;Dhotre Shri Sanjay Shamrao;Wankhede Shri Subhash Bapurao

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the number of applications received alongwith those approved by the Government for setting up of Export Oriented Units (EOUs) during the last three years, State-wise;

(b) the criteria/norms laid down by the Government for setting up of EOUs;

(c) whether any mechanism is available with the Government to check violation of norms laid down for setting up of EOUs;

(d) whether the instances of EOUs violating the norms laid down for such units have come to the notice of the Government;

(e) if so, the details thereof alongwith the action taken by the Government against them during each of the last three years; and

(f) the steps taken by the Government to promote the setting up of EOUs across the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a): The States/UTs wise details of number of applications received and approved during the last three years is as given below:

States/UTs 2008-09 2009-10 2010-11
Received Approved Received Approved Received Approv ed

Andhra Pradesh 44 39 28 26 19 19

Chhattisgarh 0 0 0 0 1 1

West Bengal 10 6 9 9 7 7

Bihar 0 0 0 0 0 0

Jharkhand 0 0 0 0 0 0

Orissa 3 2 0 0 0 0

Assam 0 0 0 0 0 0

Tripura 0 0 0 0 0 0

Mizoram 0 0 0 0 0 0

Manipur 0 0 0 0 0 0

Meghalaya 0 0 0 0 0 0

Nagaland 0 0 0 0 0 0

Arunachal Pradesh 0 0 0 0 0 0

Sikkim 0 0 0 0 0 0

Gujarat 26 21 15 10 8 7

Kerala 6 6 8 7 6 6

Karnataka 50 50 27 26 28 28

Tamil Nadu 41 33 34 27 33 30

Pondicherry 3 3 0 0 1 1

A&N Island 0 0 0 0 0 0

Maharashtra 34 27 25 21 12 8

Goa, Daman & Diu 9 9 2 2 2 1

Dadra & Nagar Haveli 0 0 3 2 2 1

Delhi 4 4 2 1 0 0

Haryana 14 9 3 3 4 3

Uttar Pradesh 12 5 8 3 8 4

Punjab 2 1 1 0 1 1

Rajasthan 4 2 5 2 2 1

Himachal Pradesh 2 1 0 0 0 0

Jammu & Kashmir 0 0 1 1 0 0

Chandigarh 0 0 0 0 0 0

Uttarakhand 2 1 0 0 1 1

Madhya Pradesh 3 2 1 1 1 0

Total 269 221 172 141 146 119

(b): Proposals for setting up units under EOU scheme under automatic route are considered by the Unit Approval Committee taking into account the following criteria:

(i) Residence proof in respect of individual/partnership firms of all Directors/ Partners (Passport/ration card/driving licence/voter identity card or any other proof to the satisfaction of Development Commissioner);

(ii) Income Tax return of all the promoters for the last three years;

(iii) Experience of all promoters;

(iv) Marketing tie-ups;

(v) Inspection of the project site by an Officer;

(vi) A report from other DCs as to whether any case under EOU/SEZ scheme in regard to diversion of goods etc. is pending.

Wherever necessary, these are verified through personal interview with the promoters of the project. In the event of the promoters being a well-established entity, the procedure of personal interview can be dispensed with.

Further, as per the provisions of Para 6.6(d) of the Foreign Trade Policy only projects having a minimum investment of Rs. 1 crores in plant and machinery can be set up under Export Oriented Unit (EOU) scheme. This condition does not apply to proposals for Handicrafts, Agriculture, Floriculture, Aquaculture, Animal Husbandry, Information Technology, Services, Brass Hardware and Handmade Jewellery sectors. The Board of Approval (BOA) can also allow establishment of EOUs with a lower investment criteria on a case to case basis.

(c): Fulfilment of these criteria is a pre-condition for approval of the EOU. Fulfilment of the investment norms is checked during the joint monitoring of the performance of EOUs by the Development Commissioner and the jurisdictional Commissioner of Central Excise & Customs on bi-annual basis based on the Annual Performance Reports filed by the EOUs which provide the details of investments in plant and machinery.

(d)&(e):As per the available information, no incidents of violation of the minimum investment norms laid down for setting up of units have come to notice.

(f): Besides, publicity by the Government in print and electronic media, a number of open houses, seminars, fairs/exhibitions have been conducted by the Development Commissioners, Chambers of Commerce, Trade Associations, Export Promotion Council for EOU and SEZ (EPCES) from time to time to create awareness about the EOU scheme.